



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
DENVER REGIONAL OFFICE
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July 18, 2025

Honorable Gregory H. Woods
U.S. District Court for the
Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, Room 2260
New York, NY 10007

USDC SDNY
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MEMORANDUM ENDORSED

Re: SEC v. Fernando Passos, 1:22-CV-03156-GHW; Joint Status Update

Dear Judge Woods:

Pursuant to the Court's Order dated May 5, 2025 [ECF No. 47], counsel for Plaintiff United States Securities and Exchange Commission ("SEC") and Defendant Fernando Passos provide the following joint report on the status of settlement.

As the parties stated in the May 5, 2025 Joint Status Update, ECF No. 46, counsel for the SEC and Mr. Passos have reached agreement in principle on a proposed settlement and Mr. Passos has provided executed settlement documents to the SEC staff. Since the last Joint Status Update, Mr. Passos has been working on completing an international funds transfer from a Brazilian account to a U.S. escrow account in connection with the proposed settlement. As noted in the previous status report, ECF No. 46, the Brazilian bank requires letters from the SEC and Mr. Passos's counsel confirming the purpose of the transfer, SWIFT Code, and other information related to the transfer in order to process the transfer to a U.S. account. The process of drafting and revising letters that satisfy the Brazilian bank, and communicating with the bank in general, has been more complicated and time consuming than anticipated. However, it appears that the process is coming to conclusion and on July 16, Mr. Passos advised that the bank informed Mr. Passos that their estimated transfer date is July 30, 2025.

Once the SEC staff receives confirmation that the funds are deposited in the escrow account, the SEC staff will present the proposed settlement to the SEC's Commissioners. The SEC's decision-making body consists of Commissioners appointed by the President with the advice and consent of the Senate. *See* 15 U.S.C. § 78d(a). Only the Commissioners, and not the staff of the SEC, have authority to settle an action filed in federal District Court. The SEC staff anticipates that the proposed settlement can be considered by the Commission within 45 days of Mr. Passos escrowing the funds. Once the SEC's Commissioners consider the proposed

settlement, the SEC will promptly notify the Court of the result, and if the SEC's Commissioners approve the settlement, the SEC will promptly file a motion for entry of Final Judgment.

Dated this 18th day of July, 2025.

Sincerely,

/s/ Zachary T. Carlyle

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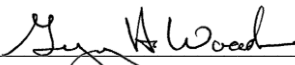
/s/ John P. Rowley III

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The Court thanks the parties for this update. The parties are ordered to submit a joint letter no later than October 1, 2025 providing additional updates on the status of settlement if no notice of settlement has been filed by that date.

SO ORDERED.

Dated: July 18, 2025
New York, New York



GREGORY H. WOODS
United States District Judge